

98-84348-9

Evans, Walter

On the Senate substitute
for the coin redemption...

[S.I.]

[1896?]

98-84348-9

MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

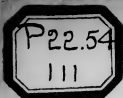
332.41	
Z	Evans, Walter, 1842-
v.10	On the Senate substitute for the coin redemption fund bill; speech in the House of representatives ... February 8, 1896. 4 p. 23 cm.
	Caption title.
	Volume of pamphlets.
	Only Ed

RESTRICTED USE: Reproductions may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35 mmREDUCTION RATIO: 9:1IMAGE PLACEMENT: IA ☒ IB IIBDATE FILMED: 2/26/98INITIALS: F.C.TRACKING # : 31239

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.



332.41
2
v.10
Ms. 10

LIBRARY OF
THE REFORM CLUB
SOUND CURRENCY COMMITTEE,
52 William St., New York.

On the Senate Substitute for the Coin Redemption Fund Bill.

SPEECH
OF
HON. WALTER EVANS,
OF KENTUCKY,
IN THE HOUSE OF REPRESENTATIVES,

Saturday, February 8, 1896.

The House being in Committee of the Whole, resumed the consideration of the bill (H. R. 2304) to maintain and protect the coin redemption fund, and to authorize the issue of certificates of indebtedness to meet temporary deficiencies of revenue.

Mr. EVANS said:

Mr. CHAIRMAN. It is by no means my purpose upon this occasion to discuss the currency generally, because, if for no other reason, the question before us does not call for it.

The only matter to be determined is, Shall the House concur in the Senate's action in substituting for our bill for maintaining and protecting the coin redemption fund a measure having objects which do not even in the remotest degree bear upon it? Analyzing the Senate's substitute, we find that it relates to four distinct subjects, not one of which is germane to the House bill. They are: First, the free coinage of silver at the ratio of 16 to 1; second, the coinage of the silver seigniorage now in the Treasury; third, the calling in of all greenbacks and Treasury notes of denominations of less than \$10, and the reissue of the same in bills of that denomination, and fourth, requiring the redemption of our paper currency in gold or silver coin at the exclusive option of the Secretary of the Treasury. This last is doubtless under the hope that we shall at some more or less remote date have a free-silver Secretary.

I shall only discuss the first of the measures proposed by the Senate substitute, and that with brevity. The consideration of the free-silver clause of the proposed substitute does not, as I have indicated, legitimately involve any discussion of the general subject of currency, but only that of the coinage, which, though a wide and most important one, falls far short of the limits of the other. As far back as there was money silver and gold were the metals mainly used to make it, and while other metals, from time to time, were also used, yet in that process of evolution by which the best was found gold and silver alone have survived, and if the process of selection is to be continued on the same lines, the friends of silver may, by their extravagant un wisdom in insisting upon the 16 to 1 ratio, force the survival of gold as the fittest, and by the elimination of the least fit put us on a basis of that gold monometallism they so much dread. Unless this is done, it seems to me, from the standpoint from which I view the question, that both metals may continue to be used if there can be an adjustment of all controversies as to their respective values upon such a basis and in such a way as to secure and maintain, at least approximately, the parity of the intrinsic value of the quantity of metal to be put into a dollar made of each. If this is done the two old

and traditional money metals will continue their companionship, but in no other way can this result be reached. It may not be reached even in that way, but it will never be attained by free coinage at the ratio of 16 to 1.

Mr. Chairman, I am in favor of rejecting the substitute and of insisting upon our own bill, for several reasons, which I shall take the liberty of presenting to the consideration of the committee. The chief of these is, that we should resist with all our power the creation of fiat money to any extent whatever. No candid and intelligent man will contend that the two metals have now a relative value of only 16 to 1. Their real relative value is unquestionably nearer to 32 to 1. Now, to put into one coined dollar 100 cents of value in gold and into another coined dollar only 50 cents of value in silver, and call them the same thing, is to create in the latter 50 cents of mere fiat money; that is, money which is such by mere fiat or command of the Government alone, and not money which, to that extent, has any intrinsic value whatever. In my judgment this is utterly irrational and unphilosophic, not to say fantastic and absurd, and will ultimately be so regarded by those not blinded by too direct an interest in silver mines or silver miners.

It will not do to say that greenbacks are fiat money, for as long as they are redeemed and redeemable in gold there is nothing like fiat money about them except their legal-tender quality, which, however, becomes immaterial from that standpoint as soon as they are redeemable on demand in gold. When we speak of money and not of its mere paper symbol or representative we mean a quantity of the precious metals the weight and fineness and consequent intrinsic value of which is ascertained by a mark thereon lawfully made by the almost ineffaceable stamp of the Government mint, and we do not mean that unintelligible and elusive phantom called "primary money" or "money of ultimate redemption" by those who employ terms which, like many of those of the old alchemists, nobody so little understands as those who use them most glibly. Any coin is a fraud to the extent that the Government stamp upon it misrepresents its intrinsic commercial value, and our Government, of all others, with its magnificent financial record, ought not to be guilty of putting such a fraud upon her people. We demand honest dollars, every one of which has an intrinsic value equal with the other: one we can tie to at home and abroad; one that the laboring man can rely upon without fear that its fluctuations in value can cause him a loss before he can hasten a time to spend it in order to prevent that loss, and all equally valuable intrinsically, thus excluding fiat money of every sort. We can not afford to have two coins called a dollar, each a legal-tender in paying debts, while one is worth 50 cents and the other a hundred. Such a folly would amaze the thoughtful man of the present and would most certainly astonish our posterity.

The result of such a state of things would be the exclusion of the more valuable dollar from circulation, because, of course, a sensible man would not use 100 cents of value when 50 cents of value would serve him as well, and we should soon be upon a silver basis, and have in consequence a second-rate commercial standing before the world along with Mexico and other free-silver countries, instead of having the magnificent position we have had and to which we are so fairly entitled. Instead of standing in the front rank and at par with the proudest countries of the world, we should sink to a 50 per cent below par position as soon as we reached the silver basis, and our dollar, inflated at home, would be dishonored abroad.

I do not deny that I have a sympathy with our friends of the silver sections of the country, whose expectations may have been disappointed, and who have thought that we should continue to buy enormous quantities of silver the Government had no use for in order to give their principal industry a market for its product. This was a hope fostered by the act of 1878 and the Sherman Act, but it must be remembered that this alternative was thereby presented, either that the small silver sections must give up this unwisely and injuriously bestowed advantage or else that the vast majority of our people and the great preponderance of other sections of the country must suffer injury the extent of which would be so enormous as to be incalculable.

Before proceeding further I will pause long enough to pay a deserved tribute to the Sherman bill. It demonstrated to the country by its operations that the more favor was shown silver the less valuable that metal became. The longer the act was in force the lower silver descended in price and the more there was of commercial and financial disturbance. This is a lesson that should not be lost nor forgotten by the thoughtful legislator. But it is made matter of observation in this debate that the Government should not only permit the free coinage of silver at the ratio of 16 to 1, but should maintain the parity of the two coins.

Mr. Chairman, the Government of the United States may go to the absurdity of declaring that 50 cents in silver shall be equal to 100 cents in gold, and of announcing that it will maintain that declaration against all comers, and with its immense resources and powers it may for a time make the declaration good by exchanging a gold dollar for a silver one every time it is desired; but even its resources are limited, and if free and unlimited silver coinage should go on for any length of time, or if the Sherman Act, which was far short of free coinage, had continued in operation, even our great Republic would have had to acknowledge that it was unequal to the task of losing 50 per cent of every silver dollar it was called upon to make equal to a gold one. There are some things which are impossible, and this would be one of them.

The people of this country were willing and are willing "to do something for silver," as the phrase is, but they are not willing to do that much, nor to "be done" that much.

We can possibly digest the number of that sort of silver dollars already upon the financial stomach, but that the limit has been reached was demonstrated by the panic of 1893-'94.

It comes at last, Mr. Chairman, to a question of wise expediency. Is it wise or expedient to coin both gold and silver, or only one of them? If we make the dollars equal in intrinsic value, use both metals, but if one is only half as valuable as the other, then to coin both upon equal terms would be an act of immeasurable folly which, while it might enrich a few silver miners or benefit politically or otherwise those who depend upon them, would come as near to ruining the rest of us as any one thing could.

There is nothing sacred and there should be nothing sentimental about it. It is a matter of plain common sense.

If you can put a hundred cents' worth of silver into a dollar, then coin silver; but if that is impractical it is because silver has ceased to be a proper coinage metal, and in that event it would be folly to coin it, because, while it might benefit the few, it would ruin the many.

Mr. Chairman, the second objection I urge to the substitute is that the free and unlimited coinage of silver would, to the extent of the difference in intrinsic value between gold and silver dollars,

result in the repudiation of public, and especially of private, obligations. Of course, such a system of coinage would promptly drive all the gold out of circulation. The people would understand that the silver dollar, so called, was really only half a dollar, except for the mere purpose of paying debts that had been contracted on a gold basis, as the present basis certainly is. Prices might be inflated as they were in times of depreciated currency during the war, but debts would be stationary and dischargeable in a currency only half as valuable as that with reference to which they had been created. Though belonging myself to the debtor class of the people, I am utterly opposed to this and to every other form of repudiation, however insidious may be its approaches or however alluring may be its disguise.

I have already alluded to the fact that the inevitable result of the passage of such a law as the Senate proposes in the first section of its substitute would be the driving out of all the gold currency, for it could not be retained when it can at home and abroad be converted into that which can perform double its functions at least in paying debts. It will be seen that with the gold dollar worth intrinsically double as much as a silver one it can be used in that ratio in purchasing anywhere its less valuable substitute. To put it otherwise, the possessor of 100 cents in gold will part with it for another commodity which can so soon be converted into what is equivalent for debt-paying purposes to 200 cents, although that 200 cents represents 100 of mere fiat. All gold currency would, in this manner, soon disappear in the work of dumping the silver of the world upon us.

Because it seems to me that nothing but evil and confusion could result from the adoption of the substitute I most earnestly oppose it.

Viewing the matter, Mr. Chairman, from another standpoint, I oppose the adoption of the substitute because the House bill is an excellent and proper measure within itself, which has had already the happy fate of exerting a most potent and valuable influence for good upon the Treasury, for even while it had only passed this House, and was being stabbed to death in the other, it has, by the operative force of being discussed and passed here, yielded to the Government a net income of some \$7,000,000 in gold coin. While it was being discussed in this House we were threatened with the loss of the amount of the enormous profits that a New York syndicate was to make by another sale of a hundred million dollars of Government bonds at a premium of about 4 or 4½ per cent, but under the pressure of the bill as passed by the House under pressure of the discussions in this body, in short, under that much stress of sound Republican doctrine and statesmanship the Administration has been forced into changing its programme and into offering that hundred million loan to popular subscription, and in this way has been enabled to sell the whole amount at a premium of about 11 per cent, and with bids made for nearly five hundred million more than were for sale. Yet with the value of the House bill thus demonstrated the Senate of the United States sends back to us this wholly irrelevant substitute, which it seems to me this House should never concur in. It should insist upon its own measure, the wisdom and value of which has been thus so signally demonstrated.

**END OF
TITLE**